Date: June 9, 2009
To: Board of Directors
From: Bob Kahn, President and Chief Executive Officer
Subject: Proposed Amendments to ERCOT's Articles of Incorporation and Call for the Special Meeting of the ERCOT Corporate Members

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: June 16, 2009
Agenda Item No.: 15a

Issue:
Whether the ERCOT Board of Directors (Board) should recommend amendments to ERCOT's Amended and Restated Articles of Incorporation (Articles) to ERCOT's Corporate Members (Members) and call a Special Meeting of the Members for a vote on the proposed amendments to the Articles as soon as July 10, 2009, or as soon as practicable thereafter.

Background/History:
The Articles have not been amended in almost nine years. Section 13.2 of ERCOT's Bylaws (Amendments to the Articles of Incorporation) provides that "an affirmative vote of at least two-thirds of all Corporate Members shall be required to amend the Articles of Incorporation." The Board has the authority to call a Special Meeting of the Members.

The proposed amendments to the Articles are attached hereto as Exhibit A.

Key Factors Influencing Issue:
These proposed amendments to the Articles are recommended for ERCOT in order to seek Section 501(c)(3) tax-exempt organizational status from the Internal Revenue Service.

Alternatives:
- Recommend the proposed amendments to the Articles (attached as Exhibit A) to the Members and call a Special Meeting of the Members to vote on the proposed amendments to the Articles as soon as July 10, 2009, or as soon as practicable thereafter; or
- Choose not to seek Section 501(c)(3) organizational status.

Conclusion/Recommendation:
ERCOT staff respectfully recommends that the Board recommend the proposed amendments to the Articles in substantially similar form to those attached as Exhibit A to the Members and call a Special Meeting of the Members to vote on the proposed amendments to the Articles as soon as July 10, 2009, or as soon as practicable thereafter.

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to recommend those amendments to *Amended and Restated Articles of Incorporation of Electric Reliability Council of Texas, Inc*. (Articles), in substantially similar form as those attached hereto as Exhibit A, to ERCOT's Corporate Members (Members) and to call a Special Meeting of the Members to vote on the proposed amendments to the Articles as soon as July 10, 2009, or as soon as practicable thereafter; and

THEREFORE, BE IT RESOLVED, that the Board hereby recommends those amendments to the Articles, in substantially similar form as those attached hereto as Exhibit A, to ERCOT's Members and to call a Special Meeting of the Members to vote on the proposed amendments to the Articles as soon as July 10, 2009, or as soon as practicable thereafter.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its June 16, 2009 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____, 2009.

_____
Michael G. Grable
Corporate Secretary